

SAN ANTONIO FLIGHT PLAN

AN AVIATION NEWSLETTER FOR SOUTH CENTRAL TEXAS

Parking Garage Ribbon Cutting in December's Spotlight

Construction on the new long-term parking garage was launched in March of this year. On December 12, 2007, the Aviation Department held a ribbon cutting ceremony to open 1,200 of the 2,800 parking spaces. Mayor Phil Hardberger, City Council members, City Manager Sheryl Sculley, and members of the Air Transportation Advisory Commission participated in the opening ceremonies.

"This is a stellar day when, in less than one year, we can partially open a five-level parking structure that will help to accommodate the growing demand by our local residents for on-airport parking," said Mayor Phil Hardberger.

"The speed with which the garage is being built is attributable to the competitive sealed proposal process initiated in 2006 and the resultant contract awarded to Bartlett Cocke/Walbridge for a collaborative redesign of the structure with HNTB," said Mark H. Webb, Aviation Director. "Our goal of reducing construction time and gaining more efficiency is directly attributable to a team effort involving the contractor and

program management team, which includes Carter-Burgess and Aviation Department staff."



Mayor Phil Hardberger in a 1967 American Motors Ambassador DPL that was used during the ribbon cutting ceremony.



The remaining 1,600 additional parking spaces will be available to airport patrons during the summer of 2008. The new garage facility is the first major piece of the Airport Expansion Program, which also includes two new terminals, an extension of the existing two-tier terminal road-way system and major airfield improvements.

SAT Runway Extension Given the All Clear Signal

The Federal Aviation Administration (FAA), Southwest Region, after careful and thorough consideration of all facts and after coordination with appropriate local, state, and federal agencies, approved on October 3, 2007 an environmental "Finding of No Significant Impact" (FONSI) for the extension of Runway 3/21 and

the lease of 54 acres for commercial development at the San Antonio International Airport (SAT). The favorable FONSI now clears the way for approval of federal funding for the proposed construction of an extension to Runway 3/21. Development of construction plans will begin in 2008.

IN THIS ISSUE

SAT Wins First Place for Best Food & Beverage Program.....	Page 2
Southwest Adds New Non-Stop to Philadelphia.....	Page 3
Mexicana Begins Operating Flights Between Monterrey, Mexico and San Antonio.....	Page 3
Aiport Statistics.....	Page 4



SAT Wins First Place for Best Food & Beverage Program

The Airports Council International-North America (ACI-NA) recognized San Antonio International Airport (SAT) Terminal One as a 1st place winner in the 2007 Airport Concessions Contest for Best Food and Beverage Program. The Best Food and Beverage Program in North America honors a single terminal or concourse for its mix, quality, brands, sales and build-out of the food service offerings. The awards were announced in November 2007 during the ACI-NA Airport Concessions Conference in Chicago.

The San Antonio International Airport-Terminal 1 Food and Beverage Program provides passengers with a wide variety of quality menu choices at street prices, while increasing revenue for the operator and the City. In 2006, the Food and Beverage program generated sales of 9.3 million or \$926 per square foot, a 13% increase from the previous year. The sales for 2007 are well over \$14 million.

The program includes local, regional and national brands, providing the passenger with a variety of choices. Approximately 80% of the mix is a combination of regional and local concepts, while 20% can be branded as national. A sampling of local concepts includes home-style cooking, traditional Mexican specialties and continental cuisine. The regional and national mix includes traditional burgers, gourmet subs and salads, Italian specialties, and Starbuck's coffee shops.

Coming to Terminal 1 in the spring of 2008 are four new concessions that will add to the award-winning program. On December 13, 2007, San Antonio City Council approved concession leases for Dunkin' Donuts, Brookstone and Natalie's Candy Bar. Also coming to Terminal 1 is a new specialty wine bar, Volo Volo. In redefining the wine retail experience, they combine an approachable list of carefully selected high-end wines, a luxurious "club lounge" environment, and knowledgeable staff that is setting a new standard in airport service.



"I want to especially recognize our many concessionaires; Unison-Maximus, the Airport's concession management firm; and Aviation Department staff, all of whom made this award possible through their hard work and dedication to serving our customers," said Aviation Director Mark H. Webb.

SAT Airport Revenue Bonds Receive High Ratings

Industry-leading rating agencies recently assigned high ratings to San Antonio International Airport (SAT) revenue bonds, reflecting the expectation that the Airport will be able to maintain its sound financial margins and liquidity levels going forward.

Fitch, Moody's and Standard & Poor's rated approximately \$83 million in General Airport Revenue Bonds (GARB) sold on November 29, 2007. The Airport maintained its "A+" rating with Standard & Poor's and Fitch, as well as its "A1" rating with Moody's. The new GARB bond issue will finance renovations to Terminal 1, construction of a Consolidated Operations Facility, drainage improvements along Sky Place Boulevard and components of the New Terminal Expansion Program.

Sold at the same time were Passenger Facility Charge (PFC)-backed bonds intended for construction of Terminal B, the Residential Acoustical Treatment Program, Central Plant modifications and permanent roadway/

utilities construction. The approximate \$74 million PFC-backed bonds received a Fitch rating of "A", an "A-" rating from Standard & Poor's, and Moody's "A2" rating.

Major strengths supporting these high ratings include: the area's strong demand for air service; a diversified airline base with multiple new non-stop flight destinations; consistently sound financial operations; and an aggressive capital improvement program with marginal borrowing needs planned in the future.

"The Airport appreciates these well regarded ratings and the underlying recognition that they are the result of our maintaining financial management goals to keep costs low to the airlines, minimize debt and maintain reasonable monetary reserves," said Eric Kaalund, Assistant Director of Finance and Administration. "The City remains dedicated to state-of-the-art customer amenities, as we continually look for ways to reduce costs and maximize revenues."

Southwest Adds New Non-Stop to Philadelphia



Starting on March 17, 2008, Southwest Airlines will make air travel to Philadelphia, PA easier and quicker for the San Antonio business and leisure passenger. A daily non-stop flight will be added to an already impressive list of non-stop flights that Southwest offers to the San Antonio passenger. This additional direct service will grow the Southwest list of non-stop destinations from San Antonio to 14. On March 8, 2008, a second non-stop frequency from San Antonio to San Diego will begin.

San Antonio was a charter member of the Southwest Airlines route system, and over the years the airline has continued to show a strong commitment to customer service and flying directly to destinations most in demand by San Antonians. These new flights will bring the total number of San Antonio departures on Southwest Airlines from 48 to 50 per day. "Our customers want this service, and we are happy to provide it," said Gary Kelly, Southwest Airlines Chief Executive Officer. "These new destinations and additional flights continue to prove our commitment to these cities and to prudently growing the Southwest system."

"Improving air service to Philadelphia has been a long standing goal of the San Antonio business community," said Mark H. Webb, Aviation Director. "We are very grateful for Southwest Airlines' dedication to our market and its needs."

MEXICANA BEGINS OPERATING FLIGHTS BETWEEN MONTERREY, MEXICO AND SAN ANTONIO

On November 22, 2007, Mexicana Airlines announced the start of direct daily flights between San Antonio, Texas and Monterrey, Nuevo León beginning the 2nd of December. Flights depart from Monterrey at 7:00 a.m. and arrive in San Antonio at 8:10 a.m. Return flights depart from San Antonio at 9:20 a.m. and arrive in Monterrey at 10:30 a.m. This new route will be operated using modern Airbus A318 aircraft with a capacity for 100 passengers - 12 in the airline's award-winning Clase Ejecutiva business class and 88 in its comfortable economy class.

Many San Antonio-based companies have opened offices in Monterrey and this new route will facilitate transportation for business passengers. In addition to the growing trade links between these two sister cities and over 300 years of cultural ties forming a basis for travel, the number of Mexicans living in San Antonio has increased substantially in recent years. As a result, demand for flights has increased.

San Antonio is also a popular tourist destination, famous for its shopping centers and world-class health facilities. Mexicana's VTP Health package offers access to the city's modern hospitals and is an excellent option for Mexicans who want to have an annual medical check-up in the United States. The airline also offers an innovative concierge service for members of its Frecuenta frequent-flyer program.

For all these reasons and more, San Antonio, the seventh-largest city in the United States and the second in terms of population growth, remains the preferred destination of Mexicana passengers.

"Thanks to the loyalty of our passengers and a continual improvement in our services, Mexicana has won a series of awards this year. We would like to thank our clients and reassure passengers that we will strive to offer them even more innovative, more efficient services in the coming year," said Isaac Volin, Chief Commercial Officer at Mexicana. "This new route asserts Mexicana's status as Mexico's flagship airline in the United States, while its convenient flight schedule will enable passengers to make the most of their time, whether their final destination is Monterrey or San Antonio."

"The new Mexicana service to Monterrey, Mexico couldn't come at a better time than now," said Mark H. Webb, Aviation Director. "The growth over the last 10 years with more Mexicans literally calling San Antonio their second home and establishing businesses in our city has generated demand for more air service for the frequent travelers. We are happy to have Mexicana Airlines as our partner with over 50 years of serving the San Antonio-Mexico City market and look forward to our future partnerships."



▲ *Airbus A318 aircraft with a capacity for 100 passengers*

San Antonio Conventions & Events

During the first quarter of 2008, the City of San Antonio will host more than 116 conventions with over 112,515 delegates. Among the visitors to San Antonio will be:

DATES	ORGANIZATIONS	DELEGATES
Jan. 23-26	Reformed Church in America	700
Feb. 1-5	American Academy of Dermatology	14,600
Feb. 7-9	Women of Faith	20,000
Feb. 13-16	Texas Music Educators Association	23,000
Feb. 22-24	National Association of Secondary School Principals	3,500
Feb. 29- March 4	National Association of College Stores	7,500
March 1-4	Snack Food Association	1,200
March 3-5	Nucor Building Systems	800
March 12-15	Mercedes-Benz USA, LLC	1,200
March 15-17	SAS Global Forum	3,500
March 24-28	Texas Section American Water Works Association	2,300
March 25-29	Asian American Hotel Owners Association	2,500

SAT YEAR-TO-DATE STATS

	Through Sept. '06	Through Sept. '07	Change
Domestic Enplanements	2,935,162	2,901,202	-1.16%
International Enplanements	73,624	79,890	8.51%
Charter Enplanements	6,005	8,782	46.2%
Total Enplanements	3,008,958	2,981,092	-.9%
Total Freight (lbs)	153,270,220	158,058,140	3.12%
Total Mail (lbs)	57,556,210	53,425,141	-7.18%

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